



Association *of*  
Minnesota Counties

March 6, 2024

Members of the Senate Tax Committee:

On behalf of our associations representing 838 cities and 87 counties across the state of Minnesota, we write to thank you for hearing SF 4247 which increases the appropriation for county program aid (CPA) and local government aid (LGA) by indexing these programs for inflation.

LGA and CPA have not been indexed to inflation for over twenty years. Over that time cities and counties have had to rely on property taxes more and more to provide the kind of essential services that these programs were designed to address. Periodic increases to these two programs have been helpful, especially the significant \$80 million increase included in the 2023 bill. However, it is still important to note that these occasional increases have not come near to keeping pace with inflation over the past 20 years, leading to a lessening of property tax relief purchasing power of these programs and further contributing to a concerning trend of local governments being more reliant on property tax revenues to fund mandated services and community needs.

We recognize that the most recent economic forecast makes any significant ongoing spending or difficult but we appreciate the senate tax committee examining this issue and look forward to continuing the conversation around indexing LGA and CPA to inflation.

Once again, we thank Senator Hauschild for his efforts to illustrate the importance of maintaining a strong state-local partnership and to the Tax Chair and members of the Tax Committee for prioritizing last year's investments in local governments and property tax relief in general.

Sincerely,

Nathan Jesson, League of MN Cities  
League of Minnesota Cities

Matt Hilgart  
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